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The Impact on Women of the Coalition Spending Review 2010

UK Women's Budget Group - November 2010

The UK Women's Budget Group is an independent, voluntary organization which brings together individuals from academia, non-governmental organizations and trade unions. We have been scrutinizing the gender implications of the budgets and spending plans of UK governments since the early 1990s. Here we provide our gender impact assessment of the Coalition Government's 2010 Spending Review.

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I. Executive Summary

The WBG welcomes the emphasis that the Coalition has given in the Spending Review to fairness and social mobility. The extension of 15 hours free early education and care to all disadvantaged 2-3 year olds from 2012-13 is certainly to be applauded. However, the Coalition's approach to fairness fails to acknowledge that men and women start from unequal positions, and that there are many barriers to social mobility other than lack of educational qualifications. Unequal employment opportunity and caring responsibilities are just two examples.

We also welcome the Treasury's attempt to produce an Equalities Impact Assessment of its spending decisions, following its failure to comply with this legal requirement for the June Emergency Budget. But we find its Impact Assessment inadequate. The Treasury provides almost no quantitative data on how men and women will be affected by its decisions; and excludes most aspects of the Spending Review from its analysis, claiming either that there is no impact or that it is impossible to measure. The Treasury has massive resources and could have done better than this.

Since the Spending Review, the WBG has been conducting its own Gender Impact Assessment. We find that the record cuts to the public sector services and welfare budget announced in the Spending Review impact disproportionately on women's incomes, jobs and

the public services they use. Viewed as a whole, together with the measures announced in the June 2010 Emergency Budget,¹ the cuts represent an immense reduction in the standard of living and financial independence of millions of women, and a reversal in progress made towards gender equality.

The WBG's analysis shows that:

- the groups that will suffer the greatest reduction in their standard of living due to cuts in public services are lone parents and single pensioners, the majority of whom are women;
- lone parents will lose services worth 18.5% and female singles pensioners services worth 12% of their respective incomes;
- overall single women will lose services worth 60% more than single men will lose as proportions of their respective incomes, and nearly three times those lost by couples.
- the cuts will lead to hundreds of thousands of women losing their job. 53% of the jobs in the public sector services that have not been protected from the cuts are held by women and the pay and conditions of employment of all public sectors workers, 65% of whom are women, are likely to deteriorate;
- cuts in welfare spending fall disproportionately on the finances of women. Child Benefit is paid almost 100% to women; while 53% of Housing Benefit claimants are single women. Both benefits have been cut significantly in real terms and eligibility has been tightened.

The WBG is concerned about role the Coalition foresees for women in the future. The Coalition's stated intention is to simplify the welfare system, increase incentives to work, and reduce 'dependency' on the state. But its plans will have the opposite affect for many women, and do not address the barriers to women's employment arising from their caring responsibilities.

Indeed, women's caring responsibilities will increase as women are likely to be the ones to fill the gaps where public services have been cut. It seems the Coalition is happy to restore an outdated 'male breadwinner, dependent female carer' model of family life that fits neither with women's aspirations nor today's financial necessities. These plans reveal gendered assumptions based on women being available to work unpaid for the Coalition's Big Society.

The WBG calls on the Coalition to:

- Stop the unfair attack on women's jobs, incomes and services;
- Deliver a Gender Impact Assessment that provides a full qualitative and quantitative analysis of the gendered effects of the Spending Review;
- Assess the cumulative impact across government departments and the combined impact of all the measures in the Emergency Budget and the Spending Review for the period to 2014/15;

¹ See WBG's response to the June Budget

[http://www.fawcettsociety.org.uk/documents/Women's%20Budget%20Group%20Emergency%20Budget%20Response%20\(June%202010\).pdf](http://www.fawcettsociety.org.uk/documents/Women's%20Budget%20Group%20Emergency%20Budget%20Response%20(June%202010).pdf)

- Take action now to mitigate the unfair burden of the Coalition's Budget and Spending Review on women. For example:
 - reverse the decision to cap Housing Benefit,
 - invest more in Child Tax Credit,
 - reinstate the childcare component of the Working Tax Credit to 80%,
 - commit now to maintaining universal Child Benefit for all women.

II. The Coalition's Concept of Fairness Ignores Inequality between Men and Women

The Coalition asserts that its Spending Review is based on promoting 'fairness', requiring that 'all sections of society who are able to do so contribute to deficit reduction'.² But the Coalition's notion of fairness is fundamentally flawed. It makes no reference to gender and overlooks the ways in which men and women's lived experiences are systematically different and, in many cases, unequal (for examples see Appendix).

The Spending Review also talks about 'fairness' in terms of 'social mobility' but the only barriers it identifies to this are lack of education.³ There is no recognition that many women experience non-educational obstacles to social mobility, in the form of an unfair share of caring responsibilities and restricted employment opportunities as a result. Public services that allow women to enter employment on the same terms as men are therefore key to social mobility for women. The WBG welcomes the move to extend 15 hours free childcare to all disadvantaged 2-3 year olds, but this is not enough to ensure social mobility for their mothers.

The WBG argues that fairness for men and women can only be achieved by addressing three dimensions of gender inequality and lack of autonomy:

- Inequality that exists between households with large caring responsibilities for children or frail elderly people or ill or disabled people and households without such responsibilities. Households that provide such unpaid care are providing a service that benefits society as a whole.
- Intra-household inequality and lack of financial autonomy that arises where unpaid care work and earnings from employment are unequally divided;
- Inequality between the sexes in paid work. Pay rates are lower in jobs in which women are the majority of the workforce (e.g. cleaners versus bin men⁴). It is essential that more progress is made to close the gender pay gap in the public and private sector.

III. The Treasury's Gender Impact Assessment

Following its failure to produce an Equalities Impact Assessment for the June Emergency Budget, the Treasury this time provides an 'Overview of the Impact of Spending Review 2010 on Equalities'.⁵ However, this document is inadequate in many ways.

² Spending Review 2010, p. 29.

³ Spending Review 2010, p. 7.

⁴ <http://www.guardian.co.uk/commentisfree/2010/apr/28/sisters-solicitors-birmingham-labour-unions>

⁵ See: http://cdn.hm-treasury.gov.uk/sr2010_equalities.pdf

It does not provide a quantitative assessment of the overall gender impact, but just looks at a limited selection of specific measures. The document purports to provide impact assessments of nine departments, but for gender it only refers to measures affecting Works and Pensions and Education. It argues that services that are particularly used by women have been relatively protected - health, social care and early years and childcare. But it gives no data.

It says nothing about employment effects on the grounds that this is for Departments to sort out and decisions have not yet been made. It argues that since the Treasury allocates resources to departments who make spending decisions, it does not need to do an overarching impact analysis. But it is essential that an assessment is done of the cumulative impact on equality of Treasury allocation decisions.

At the same time, the analysis excludes many departments, arguing that public goods like defence or science are of equal benefit to all and therefore do not need analysing. But defence is a sector which employs more men than women and there are equalities implications for the overall spending decisions: the fact that defence takes less of a hit than other departments means that there is less money available for social care or Child Benefit.

The analysis also dodges the issue of gender impact of changes in taxes and benefits. It ignores research by the House of Commons library that shows that of the £8.5bn raised in the Coalition June Budget by changes to direct taxes and benefits, £5.7bn (two-thirds) comes from women and £2.7bn from men.⁶ The Treasury claims that it is not appropriate to look at the impact in terms of the gender of individual benefit claimants and tax payers since household members share income, though in ways that, according to the Treasury, are unknown. However, social science research has produced rich insights into how incomes are distributed within households.⁷ If benefits that go primarily to women are cut, this will reduce their independent income and weaken women's bargaining power in families.

The government agrees that impact on single person households can be assessed but doesn't provide such an assessment.

The analysis of impact by ethnicity and disability is similarly weak: some adverse impacts are admitted but it is suggested that there are protections from other adverse impacts. There is no attempt at intersectional impact assessments to highlight the particular ways that disabled women or women from minority ethnic backgrounds will be affected by their decisions.

The Treasury has the necessary resources and should have been able to produce better, more detailed analysis. At minimum, if the Treasury was struggling with this task, it should have contacted the WBG as it knows we have the expertise to advise on this topic.

⁶ See <http://www.guardian.co.uk/politics/2010/oct/22/cuts-women-spending-review>

⁷ See e.g. Vogler, C et al 'Intimate relationships and changing patterns of money management at the beginning of the 21st century' *British Journal of Sociology* 57 (3) 2006, 455-82, Shelly Lundberg and Robert Pollack, 'Do Husbands and Wives Pool their Resources?: Evidence from the United Kingdom Child Benefit', *Journal of Human Resources*, 32(3) 1997, Sung, S. & Bennett, F (2007) 'Dealing with money in low- to moderate-income families: insights from individual interviews' in Clarke, K. Maltby, T. & Kennett, P. (eds). 'Analysis and debates in social policy 2007', Social Policy Review 19. Bristol: The Policy Press in association with Social Policy Association, 151-173.

IV. Women and Cuts to Public Services

Collaboration with Howard Reed, Landman Economics, has allowed the WBG to produce the first gendered assessment of the impact of the cuts to public services. In this we examine the distribution of the cuts between households with different gender characteristics. A simple assessment of the impact on women as compared to men as individuals is not possible partly because of data limitations and partly because many public services are used by households as a whole, and even where they are primarily used by individuals other household members often benefit too. This is because in the absence of public services, other household members may provide those services, either through their own unpaid labour or by purchasing them in the market. We therefore believe that, in the absence of sufficient data on individual time-use and consumption, that the household level is an appropriate first level for a gendered assessment of changes in public service provision.

Our analysis uses existing data from a variety of sources on service use to allocate spending (and cuts) to households and then calculates the incidence of the cuts by household type.⁸ Where no data are available to assign services to households or where it does not make sense conceptually (e.g. defence, environmental protection etc.), service use is allocated on a **flat-rate** cash basis according to household composition and size, using standard OECD household equivalence scales. The calculations include only the cuts announced in the spending review in ‘services-in-kind’, not those in transfer payments such as benefits or tax credits. The calculations below take into account current *and* capital spending (assuming capital spending has similar distributional impacts to current) and allocates *all* spending on services to households. This improves on the Treasury’s own analysis in Annex B of the Spending Review which only allocated around 50% of spending at best – and only one third of the cuts. The Treasury also looked only at distribution over households divided into income deciles.

The following assumptions were made about the scale of the cuts (by 2014-5, the period of the Spending Review). These were straightforward to calculate in some instances:

- Health 0%
- Education (schools) -10%
- Transport -15%

But more difficult where large portions of expenditure are devolved to local authorities:

- Social care -20%
- Social housing -24%

Or where funding is only part of a departmental settlement:

- Policing -20%
- HE/FE, adult education -27%

In other categories cuts could be allocated to households only on a flat rate basis, and these were calculated as follows

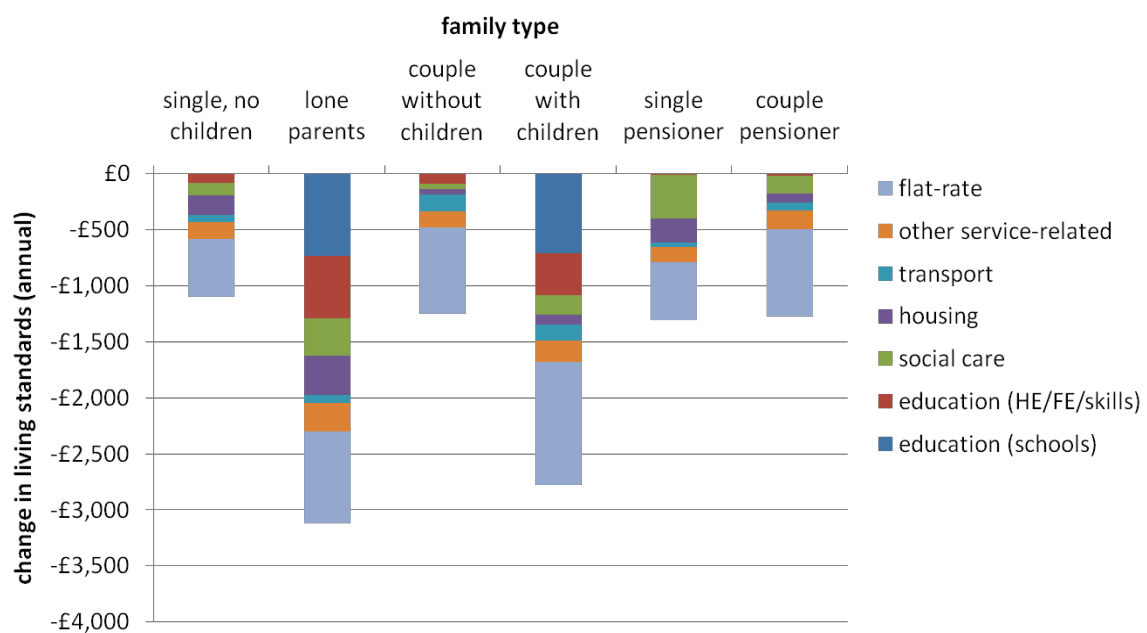
⁸ For methodology and data sources see: Tim Horton and Howard Reed *Where the Money Goes: How we benefit from public services* <http://www.tuc.org.uk/extras/wherethemoneygoes.pdf>

- Flat rate categories – average -18%
- Except defence -8%

Making the overall spending reduction (as a proportion of all public spending on services-in-kind):
-12%

Some gender effects can be shown simply by looking at different household types as in Figure 1. and 2.

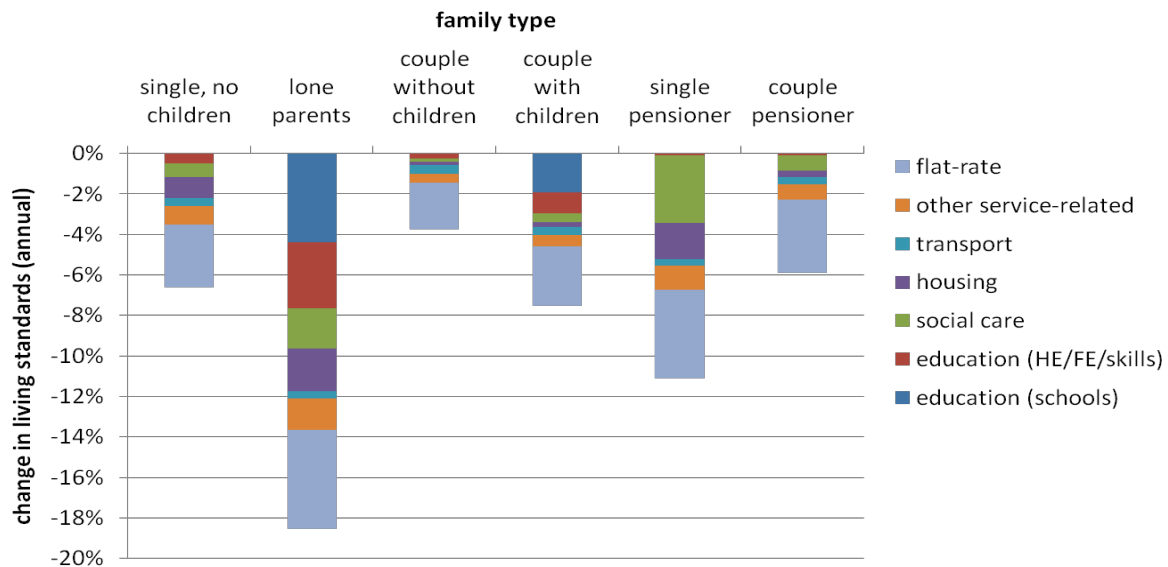
Figure 1: Effects of spending cuts by family type: cash terms, all services



Source: Howard Reed⁹

⁹ <http://www.tuc.org.uk/economy/tuc-18705-f0.cfm>

Figure 2: Effects of spending cuts by family type: as % of net income, all services



Source: Howard Reed¹⁰

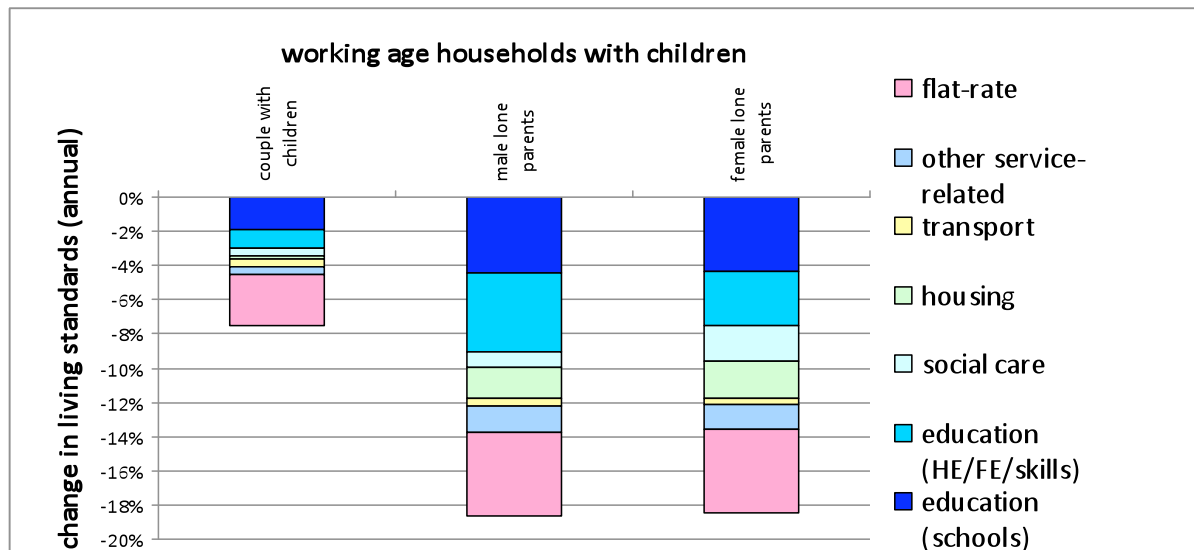
Figure 1 shows the cuts in terms of cash no longer spent on services per household, and Figure 2 in terms of that cash as a share of household net income. It is clear that **lone parents and single pensioners are hit the hardest** proportionately by cuts in spending to public services. Nearly all lone parents and most single pensioners, especially older pensioners, are women.

Our more detailed analysis of gender effects below examines the effects of cuts in proportion to income, and comments on where these are driven mainly by differences in service use or in differences in household income.

As Figure 3 shows **lone parents**, like all parents, are hit by education cuts. However lone parents are hit more by cuts to FE/HE than couple parents and also by cuts in housing and social care. Since lone parents are often poor, the cuts form a much larger proportion of their income. There are no significant differences in the effects on male and female lone parents; both lose about public services worth about 18.5% of their income, more than double the proportion lost by couple parents. But there are very few male lone parents, just 130,000, as opposed to 1,326,000 female lone parents. This makes the real gender issue within parents a comparison between lone parents and couple parents.

¹⁰ *ibid*

Figure 3: Distribution of cuts among parent households, as % of net income, all services



Source: WBG¹¹ and Howard Reed¹²

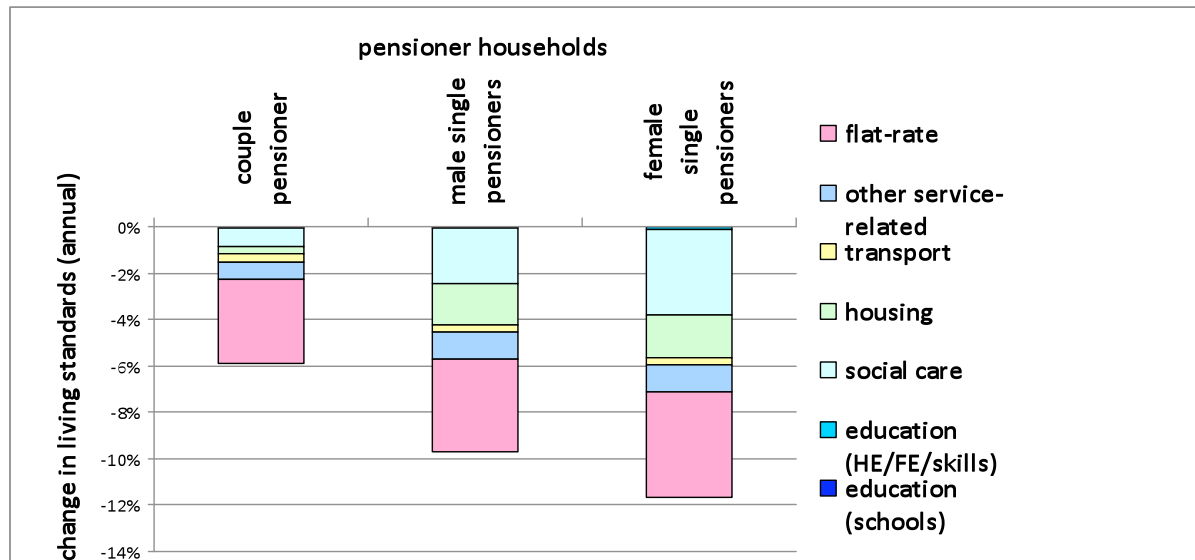
Pensioners, (particularly male single pensioners) are affected by cuts to spending on housing, as they are more likely to live in social housing and are hit by cuts in social care. All pensioners are affected by cuts in social care, but **single pensioners** even more so than couples, as they are far more likely to use social care services (many couples look after each other). Older pensioners, most of whom are women, are the heaviest users of social care so most affected by cuts in care. And, significantly, women pensioners are poorer, so the cuts therefore form larger proportion of their income.

Female single pensioners lose more than male single pensioners and both lose more than couple pensioners, as shown in Figure 4. Further the vast majority (73%) of single pensioners are women. Men when they are pensioners are far more likely to live in couples.

¹¹ Susan Himmelweit

¹² *ibid*

Figure 4: Distribution of cuts among pensioner households, as % of net income, all services

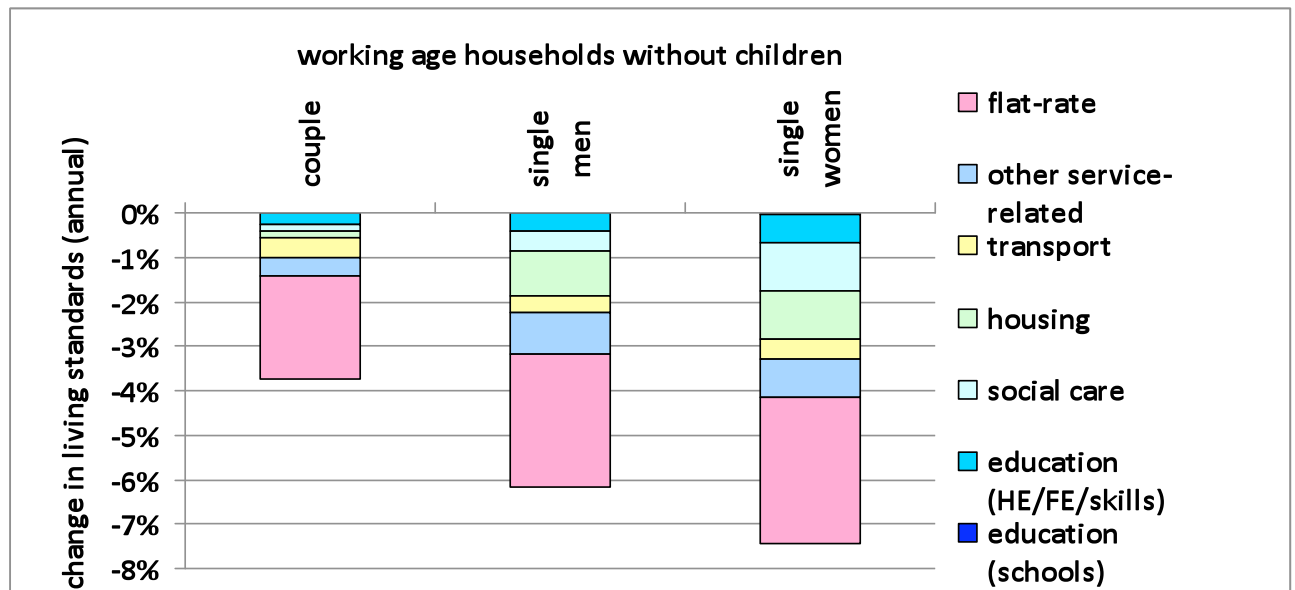


Source: WBG and Howard Reed¹³

¹³ *ibid*

Among **households without children**, it is **single women** who experience the biggest proportionate reduction in living standards as the result of cuts, as Figure 5 shows. This finding is mostly driven by the fact that single women use more social care services than single men or couples without children and that single women are more likely to use FE/HE services. Single women are also poorer than single men or couples without children

Figure 5: Distribution of cuts among households without children, as % of net income, all services

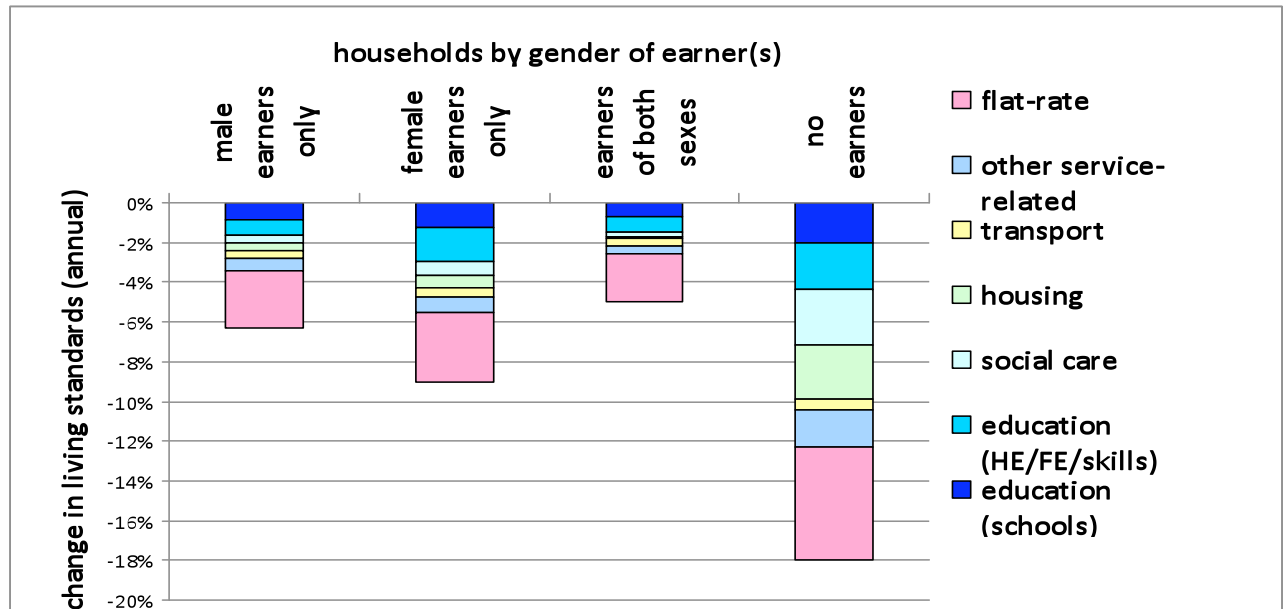


Source: WBG and Howard Reed¹⁴

There are also differences between households by the gender of its earners, as shown in Figure 6. Households with no earners are hardest hit, because they are the heaviest users of social care and housing. Women are overrepresented in this category because of caring responsibilities (e.g. lone mothers of pre-school children). Households with only a female earner also fare badly because they are the second heaviest users of social care and housing and the heaviest users of FE and HE services. Both the two types of households in which there is no male earner are also likely to be poor as a result of the gender pay gap.

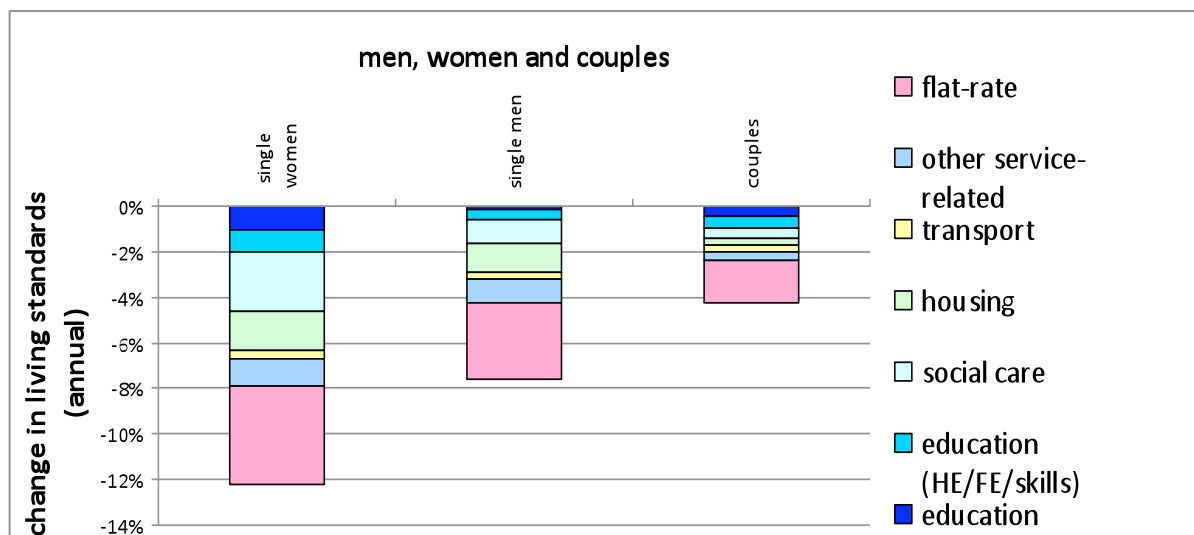
¹⁴ *ibid*

Figure 6: Distribution of cuts among households by gender of earners, as % of net income, all services



Source: WBG and Howard Reed¹⁵

Figure 7: Distribution of cuts among single women, single men and couples, as % of net income, all services¹⁶



Source: WBG and Howard Reed

¹⁵ *ibid*

¹⁶ *ibid*

The overall gender impact can be summarized by the simple comparison of the average spending cut as a percentage of income suffered by the households of single women, single men and couples shown in Figure 7.

A familiar pattern emerges: single women are hit most, followed by single men, with less proportionate effect on couples. These differences are significant with single women losing services that are worth 60% more than single men lose as proportions of their respective incomes, and nearly three times more than the services lost by couples.

In sum, the cuts will have a clear gender effect, with a disproportionate effect falling on women. This is largely driven by:

- Greater use of social care by women
- Women being more likely to live in households with children of school/pre-school age using education
- Women being more likely to use FE/HE as adults
- Women being more likely than men to be in households with no one in employment because of caring responsibilities or with no male earner – these households are hit particularly hard
- Single women tending to be poorer at all ages than men or couples because of the gender pay gap and pensions reduced by caring responsibilities earlier in life.

V. Women and Employment

The Spending Review provides no analysis of impact of cuts on jobs. But it has been predicted by Office of Budgetary Responsibility that the cuts will lead to 500,000 public sector job losses¹⁷ and the Chartered Institute of Personnel and Development estimates that government's spending cuts and the rise in VAT to 20% in January 2011 will mean that more than 1.6 million jobs across the public and private sector will go by 2016.¹⁸

The WBG has used data from the Labour Force Survey to analyse the potential impact of the Spending Review cuts, pooling four quarters of data to cover the period April 2009 to March 2010 (financial year 2009-10). As a starting point, we assume that front-line employees in the sectors of education (pre-primary, primary and secondary schools only) and health are 'protected' from the spending cuts but that administration of these two sectors and all employment in all other sectors are not.

Table 1 summarizes the main features of employment in the 'protected' and 'unprotected' sectors, including how men and women are represented in terms of employment, hours worked, hourly pay and weekly earnings. The table shows that women comprise 53% of the workers in the unprotected sectors, and 80% in the protected sectors. Thus despite women being more concentrated in the protected sectors, it is likely that the majority of the jobs lost will be women's jobs.

¹⁷ <http://www.telegraph.co.uk/news/newstopics/politics/liberaldemocrats/8073943/Danny-Alexander-reveals-500000-job-cuts-in-document-gaffe.html>

¹⁸ <http://www.bbc.co.uk/news/business-11671009>

The cuts come on top of the budget announcement of a pay freeze for those earning more than £21,000 (in full-time equivalent). Overall, women account for a clear majority, 58%, of those earning more than the pay freeze threshold. And, even in otherwise protected sectors, 73% of those subject to the pay freeze are women.

Table 1: Distribution of public sector employees by protected and unprotected sectors

		Unprotected	Protected	All
Women's share of total:	employment	53%	80%	65%
	hours	48%	75%	60%
	earnings	44%	70%	55%
Women's share of those paid:	more than £21k FTE	47%	73%	58%
	less than £21k FTE	60%	86%	72%

Source: WBG¹⁹ using data from Quarterly Labour Force Surveys (April-June 2009, July-September 2009, October-December 2009 and January-March 2010).

Note also that for those earning less than the £21,000 threshold, the promised lump sum increase of £250 per annum is a real cut in earnings at the current inflation rate²⁰ for anyone working full-time on the current minimum wage. Since those working part-time are likely only to be offered a pro-rata pay increases, this means that all public sector workers, 65 per cent of whom are women, will suffer a pay cut in real terms.

Table 2: Gender pay gaps in protected and unprotected sectors

Gross hourly pay	Men	£14.73	£16.25	£15.12
	Women	£12.46	£12.50	£12.48
	All	£13.54	£13.26	£13.41
	M/F gap	-15%	-23%	-17%
Gross weekly pay	Men	£558	£625	£575
	Women	£402	£384	£392
	All	£476	£433	£457
	M/F gap	-28%	-39%	-32%

Source: WBG²¹ using data from Quarterly Labour Force Surveys (April-June 2009, July-September 2009, October-December 2009 and January-March 2010).

¹⁹ Jerome De Henau

²⁰ This is even if inflation is measured by the CPI, which rose 3.1 % in the year to October 2010,

²¹ Jerome De Henau

As Table 2 shows the gender gaps in hourly and weekly pay are smaller in ‘unprotected’ than ‘protected’ areas (15% and 28% as compared to 23% and 39%). Two conclusions can be drawn from these figures. One is that the sectors where cuts are most likely are those where gender inequalities are somewhat less, hence gender inequalities in the public sector overall will increase as a result of those cuts. The other conclusion is that since women already are paid less and work fewer hours than men, it may be much more difficult to cut their hours or earnings to save their jobs, especially if they are already working at hours just above the Working Tax Credit threshold or paid the National Minimum Wage. And doing so would also worsen the gender pay and earnings gap.

In sum:

- More public sector employees are women than men, and women are therefore more exposed to cuts;
- More women than men will be affected by the pay freeze;
- More women than men will see their real earnings decrease;
- The gender earnings gap is lower in unprotected sectors than in protected sectors, so the cuts will end up increasing the gender pay and earnings gaps in the public sector overall.

VI. Women and Welfare Cuts

The Coalition’s ‘spending consolidation plans’ entail £7bn further cuts in welfare benefits. The cuts in welfare payments will impact on women in three ways: through loss of income; through a loss of bargaining power to within households; and through a reduction of employment incentives (despite the fact that the Coalition government says it aims to increase such incentives). Here are some examples.

Child Benefit

The WBG supports the Coalition’s decision to keep paying Child Benefit to older children but strongly urges it to abandon plans to claw back Child Benefit paid to families with a higher rate taxpayer. This will reduce welfare spending by £2.5 billion and will affect 1.8 million families, though it is unclear how the Coalition is defining a ‘family’ for the purposes of identifying those no longer entitled to child benefit – A common address? Two biological parents? What about a mother living with her high-earning mother? At present Child Benefit is almost always paid to the mother. It particularly benefits those women whose partners do not fully share their income with the rest of the family. It provides a stable source of income to women and their children at times of disruption such as family separation and unemployment. Independent incomes also improve women and children’s ability to leave abusive relationships.

Commentators have already emphasised the unfairness of continuing to pay Child Benefit to households where each parent earns £43,000, but withdrawing it from lone parents who are higher rate tax payers or couple families with one member bringing in £44,000. The WBG strongly believes that Child Benefit should remain universal for all women. Universal benefits were retained for pensioners in recognition of their invaluable ‘contribution’. When the

Chancellor decided to cut a universal benefit, which one did he chose? The one that goes to women. The WBG asks: What did women do to lose the universal financial recognition of the contribution they make as mothers?

The Coalition's justification for this is that poorer families should not pay taxes that go to support wealthier families. But an alternative would have been to raise income tax on wealthier people, spreading the cost among those who do not have children. A rise in the higher rate of income tax would not have reduced the money going directly to women looking after children full-time who have no other income of their own. The Child Benefit decision shows that while the Coalition expects 'all sections of society who are able to do so contribute to deficit reduction', it does not spread the burden fairly between mothers and the rest of society.

The withdrawal of child benefit may also jeopardize women's old age pension entitlements. Currently, receipt of Child Benefit triggers National Insurance caring credits which count towards women's pensions.²² It is essential that the Government retains the universal principal of Child Benefit to secure full-time mothers' link to the National Insurance system.

Child Tax Credit

The Spending Review announced an increase in the child element of Child Tax Credit (paid to the main carer, but means tested against household income) by just £30 per year in 2011 and £50 per year in 2012, at a cost of £5.6 million (compared to the £2.5bn proposed saving from Child Benefit). The Coalition claims that this would 'ensure that the Budget would have no measurable impact on child poverty in the next two years'²³ but does not provide any figures or explain how it reached this conclusion. The impact of this small increase will be outweighed by the reduction in the childcare support provided by the Working tax credit.

Working Tax Credit

The cut in the childcare support component of the Working Tax Credit from 80% to 70% of childcare costs will impact heavily on those for whom work only marginally pays, including many lone parents and second earners. In April 2010 the average payment was £69.89 a week and 489,000 people, mainly mothers, claimed something under WTC towards childcare costs. What is more, couples with children will now have to work longer hours to be entitled to WTC – from 16 to 24 hours. This affects approximately 210,000 couples, most of which are single earners with children.

The combined effect of reducing the proportion of childcare costs that are being paid by the childcare element and increasing the minimum number of hours a couple with children needs to work to be eligible for WTC is likely to have adverse effects on women with children in at least two ways:

- In families where the man works and the woman stays home, this reform will reinforce traditional gender roles and further reduce the incentive for women to take

²² House of Commons Library, 'Child Benefit for higher rate taxpayers', Standard note SN/SP/5732, 26 October 2010, p. 18.

²³ Spending Review 2010, p. 68.

paid employment, since the reduction in support for childcare costs will decrease the gains from employment;

- In families where both partners work, the increased hours eligibility may require more hours of paid childcare and, combined with a reduction in the proportion of childcare costs which WTC will pay, may end up with parents working more hours for no extra net pay.

Housing Benefit

Single women make up a large proportion of Housing Benefit customers. In the period 2005-08, of all claimants of Housing Benefit, 53% were women compared with 22% couples and 25% men.²⁴

Caps on Housing Benefit, increased rents for social housing and cuts in expenditure on social housing will therefore impact disproportionately on women, particularly lone parents and those with larger families, many of whom are from minority ethnic backgrounds.

The predicted effect of these reforms – that many poorer families will be priced out of their locality – is likely to have a worse impact on women and children since they tend to have stronger links than men to their local community, for example, through schools and voluntary associations. It will also sever informal networks upon which women with caring responsibilities strongly rely.

Employment and Support Allowance

This allowance replaces Incapacity Benefit and will be available to two categories of people: those who need long term support, such as the severely disabled and the terminally ill for whom there is no expectation of a return to work; and those who are currently incapable of work, but for whom there is an expectation of eventual return to work. The Spending Review announced that ESA will be withdrawn after one year from the latter group if they have savings, assets or partners who work they will no longer receive benefits. This is expected to affect 1 million people and save £2 billion a year by 2014/15. Women will be doubly hit, both as claimants and as carers and earners for claimants who have lost benefits

Pensions

The Spending Review announced that the pension age will be increased from 60 for women and 65 for men to 66 for both men and women by 2020. This means the pension age for women will be equalised to that for men at a faster rate. Women do often want to work beyond the current retirement age because of poor pension entitlements and non-linear career trajectories. The number of women working beyond the state pension age increased by 58,000 in the year to September 2009 and there are twice as many working women as men above the state pension age.²⁵ Nevertheless, compared with the situation that they expected, women stand to lose more from the changes to the state pension age than men.

²⁴ <http://www.dwp.gov.uk/docs/housing-benefit-and-council-tax-benefit.pdf>

²⁵ <http://www.telegraph.co.uk/finance/personalfinance/pensions/6227025/Tens-of-thousands-of-women-delay-retirement-amid-recession.html>

Further, older women face barriers to gaining employment because of the 'double jeopardy'²⁶ of age plus sex discrimination. Older women also face barriers to employment due to caring responsibilities: grandparents remain the most frequent providers of childcare for working parents - 40% of mothers in employment depend to some extent on informal child carers and grandmothers in particular; and currently one in four women in their fifties provides care for a disabled or frail elderly person. Who will provide these care services if older women are expected to continue in employment?

Rich pensioners got some extra benefits from George Osborne through tax relief on private pensions. He decided to stick with most of the £3bn-£4bn that Labour planned to save from top earners' tax relief on private pension contributions, but he has restored for the highest earners the possibility of gaining up to 50% tax relief on contributions - though 'only' up to £50k each year. Most of the beneficiaries are men.

We want to draw attention to a number of other problems:

- While the £2 billion a year rise in social care funding is far more welcome than a cut, social care has been underfunded by at least this amount for some years and this increase in funding will not be fully introduced for another five years. By this time for demographic reasons there will be more older people needing social care and more of their carers will be expected to be in paid employment as retirement ages continue to be raised. The small increase will therefore go little of the way to meet the projected increased needs and costs of social care. Also, it is unclear what this means for the terms and conditions of the care workers and other types of care including respite homes for disabled children and adults, holiday care for school children, community based mental and other health services. Women are the ones most likely to make up the shortfall in caring services by their own unpaid efforts in the home.
- The Coalition plans to protect Sure Start in cash terms and promises new investment in Sure Start health visitors. However, protecting in cash terms is a cut in real terms. The children from disadvantaged families who are the beneficiaries of Sure Start should not be expected to suffer in this way. Also, returning Sure Start to 'original principles' implies a reduction of service provision for those families and children not living in deprived areas. This targeting of Sure Start to disadvantaged and dysfunctional families rather than aspiring to a universal service threatens to stigmatise the service and reduce its quality overall.
- Science, technology, engineering and medicine will be somewhat protected in the massive cuts to university funding. But this will favour men as they make up the majority of students studying STE (but not M) subjects.
- The reduction of bus subsidies and increases in train fares will disproportionately affect women's mobility and employment opportunities as women are more reliant on public transport than men.
- The reduction in funding for the Government Equalities Office by 38% over four years and the scrapping of Women's National Commission undermine

²⁶ Walker, H. Grant, D. Meadows, M. and Cook, I. (2007) 'Women's Experiences and Perceptions of Age Discrimination in Employment: Implications for Policy and Research' *Social Policy and Society* 6: 1, 38.

women's voice in and to government and the Government's requirement under CEDAW to consult with women.

- The Conservative manifesto promised 'a new strategy to tackle violence against women, including a greater focus on preventative work in schools, better training for police and front-line professionals and new rape crisis centres'. How will it deliver these promises to women in the context of such harsh cuts?

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Appendix: Dimensions of Gender Inequality in Britain

- The gender pay gap still means that median annual earnings for men who work full time are £25,800, but for women only £20,100.²⁷
- Barriers to employment exist in the form of discrimination which disabled women, ethnic minority women and older women experience particularly acutely.²⁸
- Men are more than three times as likely to be in the top tenth of earners as women; conversely women are over represented in low income households and some groups of women – e.g. single pensioners – are at a high risk of poverty.²⁹
- Many women are, due to past or present unpaid caring work, part-time workers, whose average hourly pay is 39% below that of full-time men.³⁰
- Even after taxes and benefits, in the mid years of the last decade, median individual income for men was £281 per week, while for women it was less than two-thirds of this, at £180 per week.³¹
- Because of gendered expectations and economic realities in households, women continue to do more unpaid work than do men, 4 hours 15 minutes for the average women on the average day, as compared to 2 hours 18 minutes for the average man on the average day.³²
- Because of women's lower incomes and greater contribution to caring responsibilities a larger share of their income is made up of benefits and tax credits (1/5 for women; 1/10 for men).³³
- Women are also more frequent consumers of public services - because they experience pregnancy and childbirth, live longer, and are poorer than men.
- Women's greater contribution to caring responsibilities also make them more vulnerable to cuts in services for children, the disabled and the elderly, since women are more likely than men to compensate for losses in such services by their own unpaid labour.
- Women are the majority of public sector workers (65%).
- Women's entitlements to pensions are lower than men's because of disrupted careers and the gender pay gap. As a consequence many older women live in poverty: in 2008 the at-risk-of-poverty rate for older women was 33% compared with 20% for all women.³⁴ It is essential that progress on tacking the gender pension gap is maintained. At present, around 30% of women are entitled to a full Basic State Pension on retirement compared with 80% of men.

²⁷ Hills et al (2010) An anatomy of economic inequality in the UK: Report of the National Equality Panel, Government Equalities Office and Centre for Social Exclusion, London School of Economics, p. 159

²⁸ EU EGGSI reports on Minority Ethnic Women

<http://ec.europa.eu/social/main.jsp?catId=748&langId=en&pubId=492&type=2&furtherPubs=yes> and Active Ageing (forthcoming).

²⁹ Hills et al p. 45

³⁰ <http://www.statistics.gov.uk/cci/nugget.asp?id=167>

³¹ Hills et al p. 159

³² Eurostat (2004) How Europeans Spend their Time: Everyday life of women and men, OPOCE, Luxembourg.

³³ Fawcett Society Who Benefits?: A Gender analysis of the UK benefits and tax credits system, 2

- Gender inequalities are often reinforced by ethnicity, disability, age. Women with disabilities, women from many minority ethnic backgrounds and older women require more public services for support and need more welfare benefits to prevent them falling into poverty.